

OGC HAS REVIEWED.

MEMORANDUM FOR RECORD

2 March 1951

SUBJECT: Renegotiation Act of 1951 (H.R. 1724)

1. Contracts with this Agency are not subject to the provisions of this Bill, but it is provided in Sec. 103(a) that the President may bring under the operation of the Act contracts with other agencies of the Government exercising functions in connection with the national defense.

2. Before it is requested that the President take such action with respect to CIA, the security aspects of the renegotiation of Agency contracts should be considered. The Bill requires that contractors file financial statements with the Renegotiation Board each year on all contracts subject to the Act. The Board also has the right to audit the contractors' books.

3. Some provision has been made in the Bill for the protection of security. Sec. 106(c)(4) provides for the exemption of contracts, the renegotiation of which would jeopardize secrecy required in the public interest. It is provided in Sec. 107(d) that the Board may delegate any of its functions and powers to any agency of the Government. This will permit the Board to provide for the establishment of intra-agency renegotiation boards. However, the decision of any renegotiation board may be appealed to the Tax Court under the provisions of Sec. 108 of the Bill.

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cc: ✓ Subject
Chrono